

January 30, 2006

1120 Stakeholders

We are pleased to post the Production version (2005v2.1) of the Tax Year (TY) 2005 XML schemas and Business Rules on the www.irs.gov website (referred to as Release 3.2). These schemas and business rules contain changes since the December 23, 2005 posting.

Please note: Use version 2005v2.0 to submit production returns until we notify you that 2005v2.1 has been installed in production. At that time, versions 2005v2.0 and 2005v2.1 will be Active. Schema validation will use version 2005v2.1, but you will determine which version to support.

Version 2005v2.1 is scheduled to be installed into ATS and Production on February 20, 2006 when transmitting through the EMS, A2A, and IFA channels.

XML Schemas

The TY 2005 production schemas include all tax forms and schedules for Forms 1120/1120S/7004. Schema version 2005v2.1 is posted to the **Production System** and **ATS System** charts at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>. Changes from the December 23, 2005 posting are displayed in the "Diff Files" on the Production and ATS System charts.

Please note: The Instance Document contained in the schema files is viewable with any generic MIME-reader. Found within the 1120 folder, the Instance Document contains an example 1120 transmission.

Form 4562 instructions have recently changed to allow Part I, Line 3 preprinted amount of \$420,000 to be higher for taxpayers who place GO ZONE property in service during the tax year. If you need to submit this higher amount, please use the General Dependency schema.

Business Rules

Release 3.2 Business Rules for TY 2005 (new version 2005v2.1) are posted in two different formats containing identical information – Adobe (.pdf), and Comma Separated File (.csv). A column within the file identifies key changes made from the last posted version of the business rules. The new rules are posted to the **Production** and **ATS System** charts at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>.

Due to internal zip archive issues around Business Rules T0000-013 and T0000-014, a change page for the TY2003 and TY2004 business rules is also posted (the schema versions have not changed). The business rule changes should have no impact to your software.

REMINDER: The following Business Rules are being disabled in MeF. Most of these are being disabled due to the temporary procedures we have put into place for the corporations that are required to e-file to enable those returns to be electronically filed. Two of the rules need to be revised or removed completely but we will do that in a future release.

F1120-231 - (1120) Tax Year 2005

F1120-192 - (1120) Tax Year 2005
F1120-222 - (1120) Tax Year 2005
F1120-232 - (1120) Tax Year 2005
F1120-255 - (1120) Tax Year 2005
F1120-256 - (1120) Tax Year 2005
F1120S-161 - (1120S) Tax Year 2005
F1120S-218 - (1120S) Tax Year 2004 & 2005
F8865-010 - (1120 & 1120S) Tax Year 2005
SF-F1040-006 - (1120 & 1120S) Tax Year 2005

As always, if you have any questions or comments, please contact us through the Topica group or the ETA 1120 Team at 1120@irs.gov. You can also contact ETA team members Xan Ostro at (202) 283-7697, or Joan Barr at (415) 382-9039. For Form 7004 questions, please contact Linda Lateef at (202) 283-0014.